

JAN 22 2010

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# A BILL FOR AN ACT

RELATING TO CERTIFICATE OF NEED.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 323D-43, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§323D-43 Certificates of need. (a) No person, public or  
4 private, nonprofit or for profit, shall:

5 (1) Construct, expand, alter, convert, develop, initiate,  
6 or modify a health care facility or health care  
7 services in the State that requires a total capital  
8 expenditure in excess of the expenditure minimum; or

9 (2) Substantially modify or increase the scope or type of  
10 health service rendered; or

11 (3) Increase, decrease, or change the class of usage of  
12 the bed complement of a health care facility, or  
13 relocate beds from one physical facility or site to  
14 another,

15 unless a certificate of need therefor has first been issued by  
16 the state agency.

17 (b) No certificate of need shall be issued unless the  
18 state agency has determined that:

SB LRB 10-0261



1 (1) There is a public need for the facility or the  
2 service; and

3 (2) The cost of the facility or service will not be  
4 unreasonable in the light of the benefits it will  
5 provide and its impact on health care costs.

6 (c) The state agency may adopt criteria for certificate of  
7 need review [~~which~~] that are consistent with this section.

8 [~~Such~~] The criteria may include but are not limited to need,  
9 cost, quality, accessibility, availability, and acceptability.

10 Each decision of the state agency to issue a certificate of  
11 need [~~shall~~], except in an emergency situation that poses a  
12 threat to public health, shall be consistent with the state  
13 health services and facilities plan in effect under section  
14 323D-15. Each certificate of need issued shall be valid for a  
15 period of one year from the date of issuance unless the period  
16 is extended for good cause by the state agency and expenditures  
17 for the project shall not exceed the maximum amount of the  
18 expenditures approved in the certificate of need.

19 (d) In the case of a renal dialysis facility only:

20 (1) To be issued a certificate of need, a proposed renal  
21 dialysis facility shall meet the criterion of minimum  
22 average annual utilization rate as follows:



1           (A) At the proposed facility, the utilization rate  
2           shall be projected to reach seventy-five per cent  
3           by the third year of operation; and

4           (B) At all other existing renal dialysis facilities  
5           in the same service area, the utilization rate  
6           shall be at least eighty per cent;

7           (2) For expansion of services at an existing renal  
8           dialysis facility, the facility's average annual  
9           utilization rate shall be at least eighty per cent;  
10           and

11           (3) An existing renal dialysis facility that does not meet  
12           the utilization rate criterion under this subsection  
13           shall not provide or continue to provide renal  
14           dialysis services after the effective date of this  
15           Act.

16           For the purposes of this subsection, a minimum of 3.5 treatments  
17           per dialysis station per day shall be considered full  
18           utilization. A minimum of six dialysis stations shall be  
19           considered the optimum facility size."

20           SECTION 2. Statutory material to be repealed is bracketed  
21           and stricken. New statutory material is underscored.



1 SECTION 3. This Act shall take effect on July 1, 2010.

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INTRODUCED BY: Arnold J. Igo  
(By Request)



**Report Title:**

Certificate of Need; Renal Dialysis Facility

**Description:**

To obtain a certificate of need, a proposed renal dialysis facility must meet a projected 75% average annual utilization rate by 3rd year of operation. Requires other existing facilities in the same service area to reach at least 80% utilization. To expand existing services, a facility must reach 80% utilization. Requires an existing facility to discontinue services if utilization does not reach 80%.

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